



Kentucky Travel + Tourism's 2009 Report to the Industry

KENTUCKY DEPARTMENT OF TRAVEL



Department of Travel

Mike Cooper
COMMISSIONER

Shirley Dexter
DEPUTY COMMISSIONER

Liz Chewning
DIRECTOR OF MARKETING AND ADMINISTRATION

Cheryl Hatcher
CHIEF SALES AND MARKETING OFFICER

Chris Kellogg
DIRECTOR OF COMMUNICATIONS

Tourism, Arts & Heritage Cabinet

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SECRETARY

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DEPUTY SECRETARY

David Lovelace
DEPUTY SECRETARY

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PUBLIC INFORMATION OFFICE

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KENTUCKY SPORTS AUTHORITY

Laura Negron
RESEARCH

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ADVENTURE TOURISM

Todd Cassidy
TOURISM DEVELOPMENT

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Kentucky Association of
Convention and Visitors Bureaus

Kentucky Department of Agriculture

Kentucky Department of Parks

Kentucky Distillers Association

Kentucky Film Office

Kentucky Fish and Wildlife

Kentucky Grape and Wine Council

Kentucky Heritage Council

Kentucky Historical Society

Kentucky Horse Park

Kentucky Hotel and Lodging Association

Kentucky Office of Adventure Tourism

Kentucky Sports Authority

Kentucky Tourism Council

Kentucky Proud

Lincoln Bicentennial Commission

Visit Kentucky USA



Message From Commissioner Cooper



Now that we are well into 2009, we can reflect and see that 2008 presented a plethora of opportunities and challenges for the commonwealth as a destination. Let us remind ourselves that tourism is the third largest economic engine in the state and that we offer our visitors—whether they come from across the world or from another area of Kentucky—an unparalleled experience.

The world watched Kentucky as we hosted the PGA Ryder Cup in Louisville and more than 500 million television viewers from 177 countries saw the beauty of the Bluegrass State. The Kentucky Horse Park has already begun reaping the benefits of the 2010 Alltech World Equestrian Games with an expansion of events booked at the ever-improving attraction. The Kentucky Department of Travel (KDT) is hard at work creating The Kentucky Experience, part of the village that will be staged during the games, where Kentucky's culture, attractions, Kentucky Proud products and scenic beauty will be on display for an anticipated 500,000 visitors.

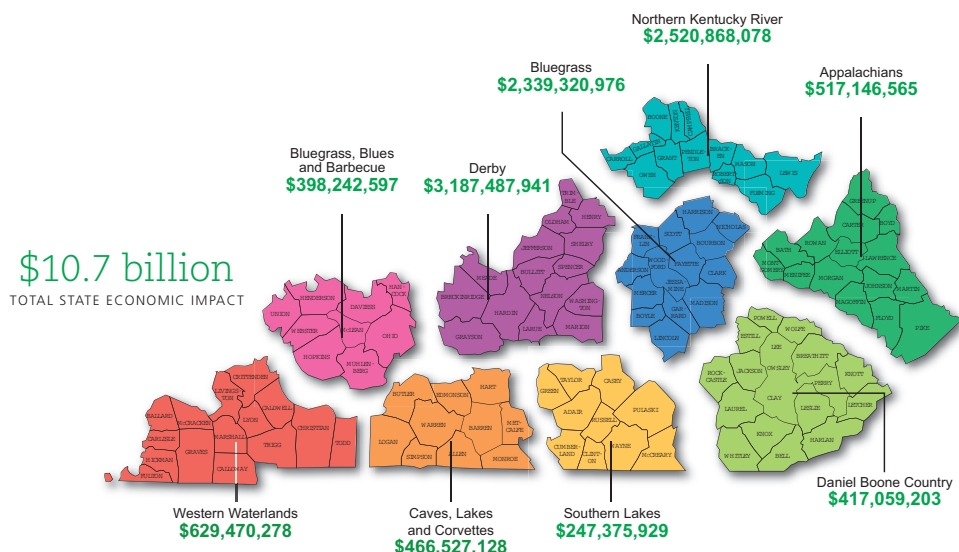
The Kentucky Department of Travel is full of enthusiasm as we move ahead with you, our partners, and a collective "Unbridled Spirit." Let's continue to strengthen our partnership as we sustain and expand strategies that have statewide impact and result in even more appeal to each of our visitors.

A handwritten signature in black ink that reads "Michael K. Cooper".

Michael K. Cooper
COMMISSIONER

Research

Economic Impact •



The Office of Research and Administration was developed to provide a central resource for research information to the agencies of the Tourism, Arts, and Heritage Cabinet as well as industry partners across the state. This division of the Office of the Secretary is committed to renewing the Cabinet's commitment to research by providing targeted local, regional and stateside research that leads to informed, meaningful marketing decisions on all levels. Future projects planned by the office include a 2008 Economic Impact Report, a new quarterly, electronic Tourism Tracker and specialized research projects as needed.

Tourism continues to maintain its position as the third largest industry in the commonwealth.

We consider research as a vital service to perform on behalf of our industry partners. This data provides accountability and a tool for evaluating the relative performance of each segment of our diverse industry.

Measuring also provides the Kentucky General Assembly with tools needed to assess the importance of the industry to the state as a whole.

The 2008 TIA Marketing Outlook Forum presented research that can help predict the future of travel in Kentucky. Over the next 18 months, we expect several key factors to come into play.

Many surveys show that despite economic concerns, people still plan to travel. However, they will likely change their travel

habits in these ways:

- Staying closer to home;
- Shortening their travel time; and
- Looking for value.

In addition, using different types of marketing will be more important as consumers search the Web for information. Consumers place more trust in online reviews and blogs than in newspaper or magazine advertising.

The department is committed to investigating technological opportunities in advertising that can provide cost effective promotion for Kentucky.

The short-term outlook for the outdoor recreation industry is cautious but is expected to improve throughout 2009.

*Sources: U.S. Travel Association
D.K. Shifflet
Smith Travel
Jerry Henry & Associates

"It is the economic impact of tourism on our communities, towns, cities and states that provides the greatest return on all of our personal investment in this industry..."

The economic impact of tourism in the south produces over \$200 billion in direct spending, generates \$30 billion in tax revenues for the states and creates three million jobs for our region."

—Susan Whitaker

2008 CHAIRMAN OF
TRAVEL-SOUTH USA

\$10.7 billion

Total Economic Impact
of Tourism in Kentucky

\$1 billion

Local, state and federal
taxes paid by the
Travel & Tourism Industry

\$3.5 billion

Amount in salaries earned by
those employed in the Travel &
Tourism Industry

176,500

Kentuckians employed in the
Travel and Tourism Industry

Research

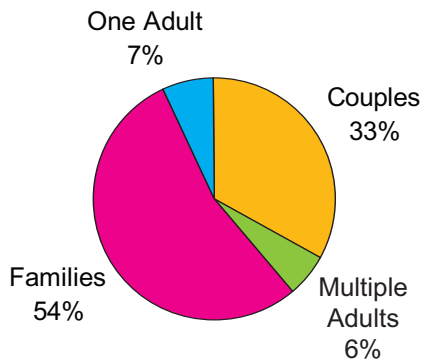
- Trends •
- Visitor Profiles •

Who Visits Kentucky

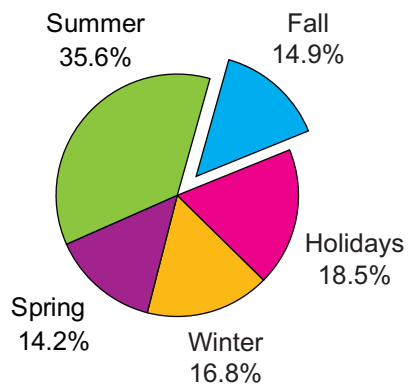
Our visitor profile can:

- Help show how to spend advertising dollars more wisely
- Provide insight into markets at particular times since travelers change by season and origin
- Help individual businesses calculate their market share and visitor spending patterns which influence growth and positioning and guide media buys

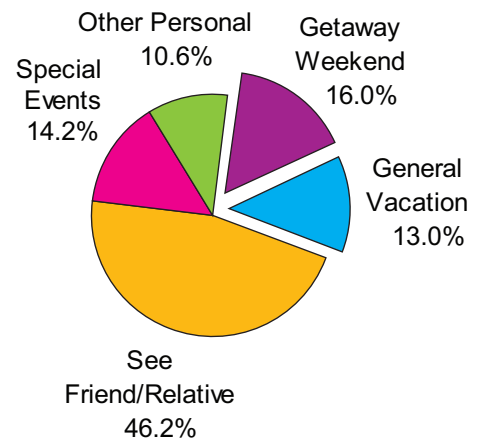
Types of Travelers



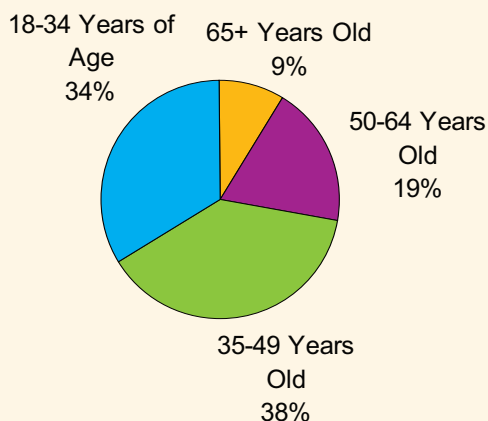
Seasons of Travel



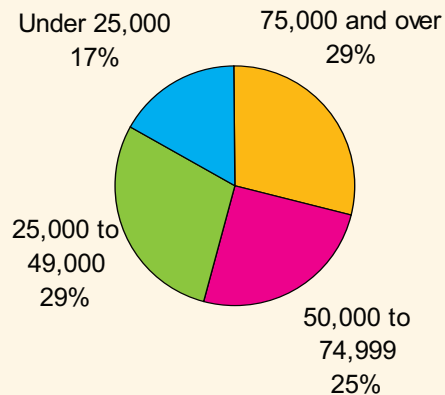
Reasons for Travel



Average Age



Household Income



More than half of Kentucky's leisure visitors travel from within 300 miles.

Kentucky's top markets include:

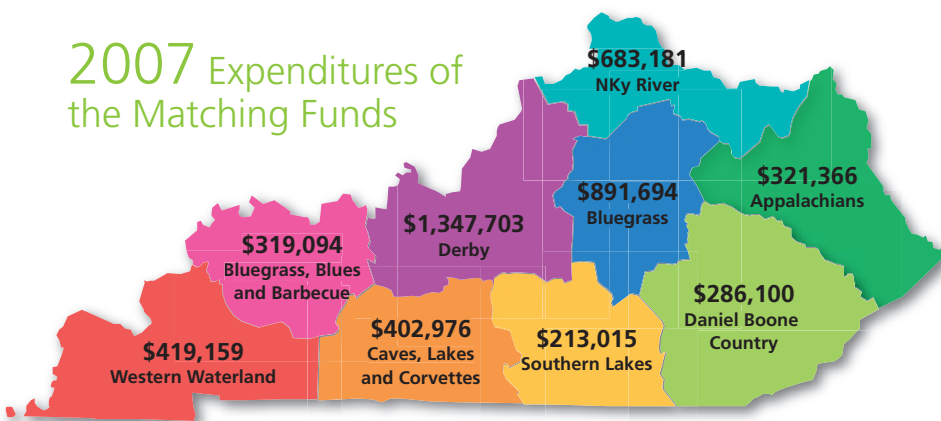
Cincinnati	Evansville
Chicago	Charleston-Huntington
Nashville	Detroit
Indianapolis	Cleveland



Matching Funds

KDT matching funds program distributed nearly \$5 million to Kentucky's nine tourism regions leveraging local funds to promote tourism during the 2007-2008 fiscal year. Designed to enhance local and regional non-profit tourism organizations with financial assistance to promote tourism in their areas, funding is distributed based on county allotments.

www.kentuckytourism.com/industry/mfunds.htm



Under the KDT Matching Funds program, eleven categories for marketing and advertising are eligible for reimbursement. The highest portion of reimbursement under the program was for publication and newspaper advertising with a total of nearly \$2.5 million. Brochure expenses were second with reimbursements totaling \$734,000, followed by sponsorships at \$356,000, and fourth was radio/television advertising at \$340,000. Postage and FAM/site visits finish at the bottom with less than \$90,000 each.

Tourism Task Force Findings

In 2008 Marcheta Sparrow, Secretary of the Tourism, Arts and Heritage Cabinet, convened a Tourism Task Force to better align state, regional and local marketing strategies and stimulate immediate and measurable growth in the tourism industry. Goals include further development of Kentucky's iconic images, positioning of assets unique to Kentucky's regions and selling local products.

The task force identified the following challenges as the group moves ahead to finalizing its work:

- Keeping Kentucky's image competitive
- Growth in the industry
 - Availability of market research
 - Measuring economic impact
 - Creating more Web-based strategies
 - Advancing local partnerships
 - Identification of potential customers and how they obtain information about the tourism product

The group has identified four focus areas for the industry in Kentucky:

- Making a collective impact
- Attracting and dispersing leisure travelers
- Changing marketing strategies and sales practices and
- Raising performance standards

Creative + Media

- Visitor's Guide •
- E-Marketing •

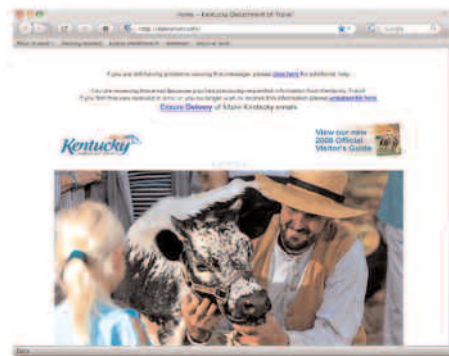
eMarketing

Online technology has allowed businesses of all sizes and budgets to frequently—and inexpensively—communicate with potential consumers across the globe. The tourism industry is heavily invested in online marketing because of the vast opportunities created by the popularity of travel information disseminated and readily received by consumers via the Internet. The Kentucky Department of Travel e-newsletter program allows for ongoing dialogue with more than 150,000 opt-in subscribers every month.

We routinely cover topics such as Outdoor Adventure, Family Fun, Agri-tourism, Bourbon, State Parks, Lincoln Celebratory Events, and seasonal events. Our previous e-newsletters have resulted in more than 8,000 clicks on links by readers seeking additional information. With support from industry partners, the Department of Travel will continue to strengthen this program and look for additional ways to keep Kentucky destinations, attractions and events foremost in the minds of potential tourists.



The 2009 Official Visitors Guide made its debut with a new look and format. Replete with all things Kentucky, the guide, available free of charge, includes detailed information about destinations, attractions and events that assist in planning visits to all areas of the commonwealth



Creative + Media

Web •

KentuckyTourism.com

As the importance of the Internet grows, the state tourism office wants to identify consumers who use its various Web sites and how their experiences can be improved. States allocate considerable resources developing Web sites, so it is critical to measure effectiveness. Additionally, consumer behavior is changing quickly as users become more comfortable with the Web and discover new features and uses.

Advertising effectiveness can be measured quantitatively but such analysis proves difficult for evaluating Web sites. The Kentucky Department of Travel continues to explore consumers' destination Web site usage and reactions to [www.kentucky-](http://www.kentucky-tourism.com)

[tourism.com](http://www.kentucky-tourism.com) in targeted markets and those under consideration for the future. KDT contracted with Strategic Marketing & Research, Inc. to qualitatively evaluate multiple Web sites. Consumers participated in sessions that monitored their usage of sites while discussing likes and dislikes. In focus groups held in Chicago, St. Louis and Indianapolis, participants were screened for Internet usage, travel habits and familiarity with Kentucky. Participants were asked to review how Kentucky's Web site compared to the six sites of some other states: Alabama; Minnesota; Ohio; Oregon; Pennsylvania and Virginia.

The Kentucky site was considered adequate but not remarkable.



As a result of our research, short-term changes have been made to the KDT Web site. Major changes will occur as the site is completely rebuilt to create a motivating and efficient marketing Web site, with a database to be used to promote tourism attractions and

destinations. The site will be used as a reference area for travel information as well as a marketing platform to promote specific initiatives throughout the year. KDT's goal is to have the new site ready to launch prior to the 2010 Alltech FEI World Equestrian Games.



As gas prices crept upward, the Kentucky Department of Travel invited Kentuckians to "Discover Your Own Backyard" with a Web site promotion designed to encourage residents, who make up nearly 30 percent of the state's tourism market, to visit in-state attractions and events. www.mykentuckybackyard.com included a prize-a-day contest for Kentuckians only, with premiums generously donated by Kentucky tourism businesses. With overwhelming support, what was to be a one-month promotion extended through mid-August. Web site visitors are also invited to submit their endorsements for Kentucky travel experiences through user-generated content. The site welcomes the submission of amateur videos and photographs of Kentucky vacations.

Since the site first launched May 1, 2008, it's had 85,000 visitors from 56 nations and all 50 states.

Besides the viral campaign, Discover Your Own Backyard (DYOB) is promoted on radio, TV, through a series of press releases and at meetings held throughout the state.

Where's Pat? The DYOB Web promotion features a weekly contest where participants guess the location of Pat, who is pictured smiling at different Kentucky attractions. Winners are awarded a prize provided by the attraction or local convention and visitor's bureau. The contest maintains the interactivity of the site. We had more than 24 winners and the site has had 9,000 hits since DYOB was launched in May 2008.

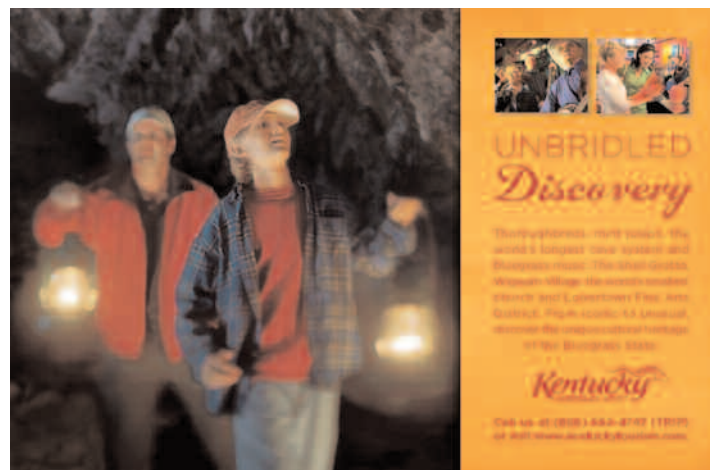
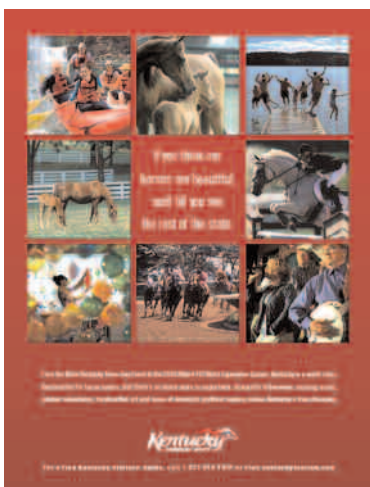
Creative + Media

Ad Campaigns •



KDT's spring and fall advertising initiatives used our existing "Unbridled" advertising campaign materials. The campaign consisted of six print ads and both a :30 and :60 television spot, which leveraged the strong Kentucky Unbridled Spirit brand recognition. The majority of our advertising messages are geared toward women aged 25 – 54. Research proves that they are the primary vacation and spending decision makers.

During 2008, several new print ads were created to target specific topics of interest such as girlfriends getaways, cultural heritage tourism, religious meetings, and family fun.



Creative + Media

Both co-op and stand-alone Kentucky Department of Travel advertising appeared in the following:

Better Homes & Gardens
Budget Travel
Canadian Geographic
Cincinnati Magazine
Country Living
Delta Sky
Family Circle
Girlfriend Getaway
Group Travel Planet
Group Tour Magazine
Indianapolis Monthly
Kentucky Living
Kentucky Monthly
Louisville Magazine
Midwest Living
Nashville Lifestyles
O: The Oprah Magazine
Packaged Travel Insider
Readers Digest
Rejuvenate
Southern Living
Student Group Tour
in-state and regional newspaper inserts



Creative + Media

Kentucky On The Air

A regular schedule of television and radio broadcasts keep Kentucky in the public eye in and beyond state borders. Interviews about sites and attractions occur on nearly a dozen stations, generating an advertising equivalent of hundreds of thousands of dollars for the industry.

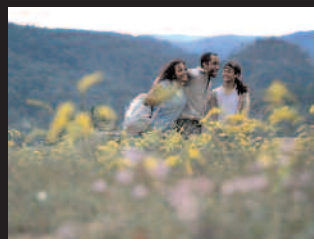
Broadcast Advertising

KDT continued to partner with the Kentucky Broadcasters' Association to air both radio and television commercials directed to the number one contributors to tourism in our state: Kentuckians.

During the spring and summer months, our "Unbridled" commercial aired for six weeks (March – May) on television in the key feeder markets of Cincinnati, Evansville, Knoxville, Indianapolis, Louisville, Nashville and St. Louis; and two weeks in Columbus. In late September and early October, our commercial aired for two weeks in Cincinnati, Indianapolis and Nashville.



A special "Unbridled Escapes Sweepstakes" promotion ran in Cincinnati, Indianapolis, Knoxville, Louisville, Nashville and St. Louis. Sweepstakes promotion included airing of special ten-second television commercials and placement of Web site banner ads on select TV stations' Web sites to drive consumers to the Kentucky Department of Travel Web site for vacation giveaways. Kentucky was also promoted through editorial features on several television stations in these markets.



Digital Signage

Digital signage is now in all Welcome Centers, presented on a 42" screen. The signage displays messages, advertisements, and images where visitors stop to get information. The response by advertisers has been enthusiastic and digital signage is a ready opportunity for industry support.



Communications

The KDT Communications Division compliments the KDT cooperative

and other advertising programs by engaging media and employing other strategies that publicize Kentucky's attractions and events as tourism destinations.

The division created itineraries for and hosted 14 media trips to Kentucky in 2008. In collaboration with CVBs and tourism/travel businesses it fulfilled requests and provided numerous photos of Kentucky scenes and events to free lance writers, broadcast, print and Web media. Special media events included the 2008 Ryder Cup in Louisville and a Lake Cumberland trip that featured great spring fishing.



E-newsletter Keeps Industry Up-to-date

The *Travel Insider*, a bi-weekly e-newsletter primarily distributed to Kentucky's travel and tourism industry partners, keeps an ever-expanding list of recipients up-to-date. The latest issue is posted regularly on the KDT's Web site at kentuckytourism.com/industry/travelinsider. The *Travel Insider* includes new developments from government and industry, media leads and a wealth of information designed to support the industry.

Film Office

In 2008, 48 video projects—including feature films, television programs and documentaries—were produced in-part or totally in the commonwealth, generating more than \$7.8 million in spending for Kentucky businesses.

To increase Kentucky's competitiveness among states that are generally the top sites for industry projects due to incentives, a film inducement package was proposed to the 2009 Kentucky General Assembly.

Below is a partial listing of media that included articles about travel in Kentucky over the past year:

AAAJourneys.com
Arthur Frommer's Budget Travel Magazine
Atlanta Journal Constitution
Austin American Statesman
Autos.aol.com
Bank Travel Management
Better Homes and Gardens Canada.com
CBS News
Cessna Flyer Magazine
Cincinnati Enquirer
Cincinnati Magazine
County Living Magazine
Dave Trippin
Delta Sky Magazine
EscapetoSoutheast.com
EverywhereMagazine.com
Family.com (Disney)
Family Fun
FlagstickGolf.com
Girlfriend Getaway
GreatDrivesBlogspot.com
Group Tour Magazine
Hemispheres Magazine (United Airlines)
Imbibe Magazine
Indianapolis Star
Kentucky Living
Kentucky Monthly
Knoxville News Sentinel
Lane Report
Leaf Chronicle Magazine
Life Times Magazine (Blue Cross Blue Shield)
Louisville.com
Mail on Sunday (London, England)
Midwest Living
MotorHome Magazine
NTA's Courier
Ohio Magazine
OntheFox.com
Packaged Travel Insider
Packaged Travel Insider
Rough Guide to the U.S.
Savour
Sky West Magazine
Southern Accents Magazine
Southern Living
Spirit Magazine (Southwest Airlines)
St. Louis Post Dispatch
The Lexington Herald Leader
The Louisville Courier Journal
The New York Times
Trailer Life
Travelbite.co.uk
Wall Street Journal
Washington Post
Where To Retire
www.roanoke.com

International

Japan

- Print and Web media coverage with the equivalent of more than half a million dollars in Advertising
- Four e-newsletters were distributed to about 2,000 travel trade and media
- A Travel Vision database of 17,000 received a June newsletter
- In September 2008, a Bourbon tasting media reception and sales calls were coordinated in Osaka and Tokyo
- Represented Kentucky and Mississippi River Country USA at four international trade Shows

United Kingdom

- Coverage about KDT in the UK reached a circulation of nearly 48 million individuals and had the advertising equivalent of nearly \$11 million.
- Late summer media mission resulted in coverage in 15 print and Web publications
- Sales mission coordinated meeting with 10 UK tour operators
- Radio campaign highlighted Kentucky Tourism, the Ryder Cup, equestrian sports, Bluegrass music, Bourbon, scenic beauty, family vacations, good food
- Hosted event that introduced Kentucky Tourism to 15 trade media and trade operators
- Accompanied KDT to the Dublin Horse Show and coordinated introductions with media and trade operators
- Coordinated UK media that attended Ryder Cup including *Country Life*, *Daily Mail* and *Business Traveler* and *How to Spend It* magazines
- Worked with KDT to coordinate itineraries and press trips for writers from *The Independent*, *Mail on Sunday*, *Time Out* magazine and *Decanter* magazine

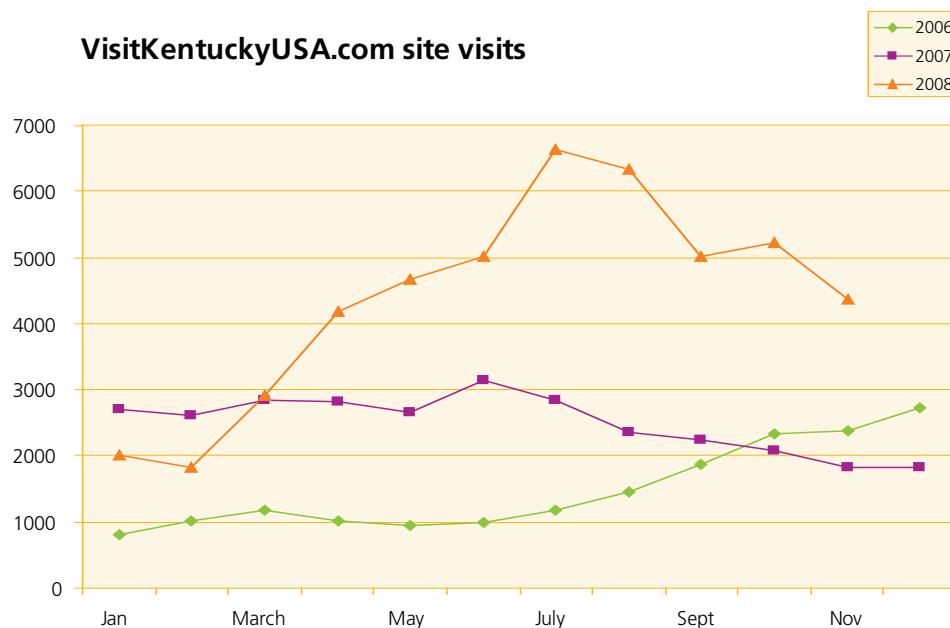
Canada

- Forwarded 75 news releases created by KDT to media which generated coverage in numerous publications including *Canadian Traveller Magazine*, *Osprey Media*, *Thoroughbred Style Magazine*, *the Toronto Star* and *Canadian Travel Trade* on-line news.
- Conducted 150 sales calls to retail trade
- Meetings with tour operators and industry partners who promote the Kentucky Derby and agri-tourism.
- Liaised with Travel Media Association of Canada, International Pow Wow and worked with Canadian travel industry guests who attended the 2008 Ryder Cup.
- Participated in six trade shows/conferences and sponsorship events on behalf of Kentucky.

KDT continues to promote Kentucky tourism to the world through representation in Canada, the United Kingdom, Europe and Japan. As our presence on the international stage increases through events like the PGA Ryder Cup, held in Louisville in 2008, and the upcoming 2010 Alltech FEI World Equestrian Games in Lexington, our consultants have incredible opportunities to build awareness and positive exposure for Kentucky. Each office provides numerous activities on behalf of Kentucky including sales missions, media relations, e-newsletters, packages and direct sales appointments.



VisitKentuckyUSA.com site visits



International

The Kentucky Experience

For the first time since the event began in the mid-70s, the prestigious Alltech FEI World Equestrian Games will be held outside of Europe in 2010.

Eight equestrian sports will come to the Kentucky Horse Park in Lexington for 16 days of world championship events. Half a million spectators are anticipated to provide an economic impact of more than \$150 million. Sixty nations, 800 athletes and 900 horses compete in what is referred to as the "Olympics for the Horse."

The Kentucky Department of Travel is organizing the The Kentucky Experience so visitors to the games can sample our hospitality, culture, scenic beauty and the panoply of attractions and events that weave the rich fabric known as Kentucky.

Sure, some of our guests for the games will venture out to experience areas of the Commonwealth first-hand. But with regularly scheduled equestrian events happening daily, our visitors may not have time to travel the Commonwealth to experience all we offer.

At The Kentucky Experience on the grounds of the Kentucky Horse Park, guests can see, hear, taste and interact with the uniqueness we know as Kentucky.



Ryder Cup

Cheers of "USA! USA!" echoed through the grounds of Louisville's Valhalla Golf Club growing in frequency as it became apparent that the U.S. team was about to defeat the European team for the 2008 PGA Ryder Cup. The commonwealth was on display—not only for the thousands of attendees—but also to millions of viewers watching world-wide and to countless others listening on radio.

Kentucky's Unbridled Spirit was broadcast loud and clear as the Tourism, Arts

and Heritage Cabinet took full advantage of this historic opportunity to represent Kentucky and the entire nation to the world. Meeting planners, international and domestic media, golf and leisure tour operators, tourism executives and representatives from top sporting events, to name but a few, all experienced Kentucky hospitality from a venue perched above the 17th green. Throughout the week, unforgettable events showcased Kentucky to the international community.

Welcoming Travelers

The Kentucky Department of Travel currently operates eight Welcome Centers along

the primary entrance routes to the state. Courteous and highly trained Travel Hosts assist travelers by providing tourism information, brochures, maps, assistance with reservations, and itinerary ideas. Additionally, they assist with coordinating events as well as serve as front line ambassadors to all of the businesses – both tourism-related and otherwise – throughout the state.

Nationally, Welcome Center visits have been impacted by online travel resources as they become increasingly available to tourists. Kentucky is no exception. In 2008, more than 750,000 visitors to the Centers were greeted by staff and signed the Guest Register and the overall volume decreased only about six percent.

Due to state budgetary constraints, as of January 1st, seven out of our eight Centers are now closed on Tuesdays and Wednesdays. They remain open on the weekends, which are the busiest travel days in the week.

The Department of Travel also operates the Capitol Tour Desk and conducts tours of the Executive Mansion. Visitors are welcome to reserve guided tours of the Capitol during business hours, Monday through Friday, or take a self-guided tour any day of the week. Mansion Tours are available via reservation on a limited basis on Tuesdays and Thursdays.



Southbound

Bullitt County Welcome Center
502-543-5900

Northbound

Franklin Welcome Center
270-586-6292



Westbound

Christian County Welcome Center
270-439-7505

Eastbound

Whitehaven (Paducah) Welcome Center
270-554-2077



Southbound

Florence Welcome Center
859-384-3130

Northbound

Williamsburg Welcome Center
606-786-4474



Westbound

Grayson Welcome Center
606-474-4333

Eastbound

Shelby County Welcome Center
502-722-9383



2007/2008 Welcome Center Visits

■ 2008 ■ 2007

